

## **Study On Importance and Impact of Digital Marketing on Consumer Buying Decision Process in India**

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### **ABSTRACT**

With huge development in technology, the usage of Digital Marketing, Social Media Marketing and Search Engine Marketing gets increased. Digital Marketing is employed by the marketers to encourage the goods and services to the marketplace. Digital Marketing is an essential one for increasing the sale of goods and services. The principle of the digital marketing is concerned with the consumers and allows the customers to interact with product by virtue of digital media. The main intention of the research is to study the impact and merits of the Digital Marketing for both marketers and consumers. In addition, it studied the importance and impact of the Digital Marketing with influence on consumer buying behavior. The research is carried out based on structured questionnaire for primary data and the sample size considered is 500 respondents.

**Keywords:** Digital Marketing, Social Media Marketing, Search Engine Marketing, consumer, product, behavior

### **1. INTRODUCTION**

Digital marketing is otherwise termed as online marketing, internet marketing or web marketing. The digital marketing has been developed in popularity over the time in certain countries. In USA, online marketing is common one. In Italy, it is termed as the web marketing. In UK and other countries, digital marketing is the common term after 2013. Digital marketing is used for product or service marketing with help of the digital technologies on Internet. The communication is bidirectional. The customer asks the queries or makes the suggestions regarding the business products or services.

Digital marketing is described as the buying and selling of the content. Digital marketing is the new platform used to meet the target consumers through social networking, blogs, advertisement, online search engine commercials and e-digital marketing. Digital marketing is a new kind of marketing. Marketing behavior in digital platforms permitted the marketers to link directly with customers despite their geographical position. Online marketing is considered as one of simple way to interact directly with customer for avoiding the confusion. An understanding gets compensated with digital control for effectual consumer marketing.

Digital marketing is a new event when it comes to the digital channel. The enhancement and pervasive utilization of internet tools changed the communication culture with daily and specialized existence. The modern interactive technologies are an essential measure of transition. The new communication technology arise from technology development are labeled as internet marketing. Facebook, Twitter, Instagram and social network employed online and web methods like forum, micro blog and search engine. With development of new messaging to

electronic channel clients, networking techniques are considered as the traditional interaction devices.

## 2. IMPORTANCE OF DIGITAL MARKETING:

Digital marketing has become the popular one over the time period. Digital marketing is an essential one for grabbing large information to communicate directly with the customers. Digital marketing markets the product and services on internet on any digital medium like mobile phones. Marketing through digital medium provides the satisfaction results to the customers because they ask queries and give suggestions regarding any product and services. In digital market, communication medium is more convenient than traditional marketing.

**Growth opportunities for small business:** In digital marketing, the user selected any technique for marketing as per budget and reach large number of audience at minimal cost. Any new product launch in market is a difficult task.

**Convenience for customers:** Without any local outlet marketer, product is sold through eliminating the distance barriers.

**Less cost:** The product cost of marketing through retail outlet is high when compared to market product on Internet. The users not spent any amount for the store maintenance. The product is displayed on shop as users order product based on their demand.

**Customer personalization:** The digital market customer needs are fulfilled efficiently for performing the faster and easy interaction with customer. The digital marketing increased the customer satisfaction for product because they make purchase decision consequently.

**Good relationship with customers:** Internet constructed good relationship between customers and marketer to improve the customer retention level. It performed the good communication with customer regarding the product purchase to the feedback and solved the customer queries.

**Instant Comparison between the products:** Customers perform comparison between the products and take the purchase decision. Online marketing allow the customers to make free product options and take decision based on the satisfaction.

**Clear Information available for product:** In digital marketing, all information is displayed on internet. The customer revised the information provided and taken the decision accordingly.

## 3. DIGITAL MARKETING ENVIRONMENT IN INDIA

India is the third largest Internet community in all over the world. Advertising Methodology is considered as one of the best method to communicate with the population. In India, individuals are Web conscious and it is used for different reasons in everyday lives. Subsequently, there is a flourishing internet marketing industry in India. Internet networking is the driving force behind mishandling of computerized marketing. The shopping spotlight in India is increasing in online and offline. India is a new individualist to the online shopping explosion, yet it is common for online purchases to grow by half every year over the next few years. The

world is currently the third-largest Internet user nation with more than 120 million Internet customers and the rapid development of flexible exchange is required to increase the number of customers to more than 330 million by 2015.

Web-based life is driving the growth of digital marketing. Online shopping is taking place in the large urban metropolises with Mumbai being the main center preceded by Delhi and Kolkata. The trades are rendered in online commercial centers like Snapdeal introduced in 2010. Web is a minor part of India Gross Domestic Product, Internet explosion is easier one for the retailers. Career and schooling are considered as the primary goal of the learner. Indian youth is the strong consumer group that drives the manufacturer to do what they desire. The research assesses the degree to which the young people play a part. The research is precious one for sales person to establish the communication movements to reach the future youth audience of goods under the research.

#### **4. IMPACT OF DIGITAL MARKETING ON CONSUMER BEHAVIOUR**

Nowadays, the consumers become the researches through performing the Internet access in more convenient way. The users are more educated, motivated and overwhelmed with the digital content. Every company markets their products on the digital platforms. It is very easy for the customers to ensure and compare the products during online purchase. The choice of shopping particular product is strongly influenced by the bond with company and influencers online. Digital statement of mouth is most truthful employed as the most reliable source of advice that customers believe. In recent digital world scenario, the word of mouth is given with help of customer feedback, influencer recommendations, scores, etc. The customers assure of searching what current brand buyers recommend about the product/service before making the purchase decisions.

Customers are not afraid to experiment consumers in the past few days have been very cautious about modifying the labels they have used all along. But with time, things have changed. Now, business thought has grown tremendously. They have become more open to products and brands that offer better quality than ever before. All this was feasible only through digital marketing, which made it easier for these new brands to reach out to consumers. Brand loyalty has been big thing in the past. It's very unusual when you see customers change labels. Today, though, customers are able to switch brands, because the new one offers better apps. With a lot of options on the market, customer engagement is challenging and switching is fast. Customers now have a high level of tolerance. Ultimately, consumers today are not in a mood to negotiate or bargain in anyway. We expect an immediate response to their questions and concerns, if any. We publicly share their thoughts and perspectives on digital platforms that can make or break the reputation of a company in seconds. Generally, users tend to believe in bad news / feedback readily and only a handful actually shares positive reviews. However, a number of rivals exploit this by posting negative comments on their company sites from fake accounts. This can be done through a strong online reputation management (ORM) approach, where experiences with customers will potentially turn a negative image into a favorable one.

#### **5. LITERATURE REVIEW**

Digitization is performed to push the marketers across globe to transform the marketing game. The shift in marketing technologies has evolved the consumer behavior and decision making abilities. Digital transformation in Montenegro was carried out in [1] with the utilization of digital marketing in business for determining the impact on promotion and brand positioning. It helped with integrated analysis of electronic business to present innovative and value-creating insights for Montenegro. A new framework was introduced in [2] in digital marketing to emphasize the touchpoint in marketing process. The designed framework organized the element and touchpoint with framework in the digital marketing space.

A holistic overview of data sciences applications was discussed in [3] for digital marketing and create the insights related to innovative data mining creation and knowledge discovery techniques.

The platforms were employed in [4] for online promotion algorithms for finding the best combinations to implement the in-house customized systems. The current state of artificial intelligence were explained in marketing processes to design four step sequential model with intelligent marketing solution to increase the visibility of website through keywords.

Digital marketing helped to raise the distribution of goods and services. The objective of the study in [5] was to examine the impact of digital media. It was an imperative tool for marketers and consumers. The Digital media and their impact on customer buying behavior were studied based on the structured questionnaire with respondents.

Advertising industry is the social institution used in [6] to fulfill the human needs to send the information about product availability, brand and service. It was criticized as being profit oriented and business houses. The marketing shared perfecting method to defraud the customers with false advertisement. The aim of advertisement was to revise the impact of advertisement on the buying behavior. There is no relationship between age of respondents and level of impact of advertisement.

The consumer buying behavior factors were affected by the brand image in [7]. The electronic product selection increased the preference of customers towards the products. The study helped the readers to recognize the consumer buying behavior in specific to electronic products such as washing machines, Microwave ovens, and inverters. The policymaker or advisors of organization create suitable strategies to advertise products and brand establishment in competitive environment.

The study was carried out in [8] to expose the digital marketing concept through different digital platforms such as mobile phone application. It aimed on the impact created by same regarding the consumers buying decision.

The impact of online and advertisement was discussed in [9] on consumer buying behaviour of branded garments. The advertisement had recognized itself as important selling media. An online and conventional advertisement with dependent variable consumer buying behavior structural equation modeling (SEM) examined the direct and indirect connection of the independent variables. The questionnaire was employed as the quantitative data collection tool.

The consumer buying behavior was determined through mediators advertising characteristics and consumer attitude to identify the significant factors.

The decision phase has negative effect on the customer decisions in [10]. The re-targeting has high result on consumer decisions in evaluation stage. An information research performed the recognition, purchase decision and post-purchase. Targeting was considered as most influential variable in consumer buying decision process. The important effect on consumer decision was evaluation stage due to the re-targeting channel directed to consumer searching for the product.

The study illustrated the impact of digital marketing depending on consumer behavior in Bangladesh. The Bangladeshi consumers were surveyed in [11] to achieve behavioral pattern on the digital marketing. The marketing skills were increased with drastic change. The marketing trends depend on the growth and innovation of new technologies. The convenient communication devices influence the customer behavior. The marketing plan with detailed digital marketing tools is an essential demand in integrated marketing communication plan. High speed internet connectivity gathered large number of young crowd in social media representing the marketer get focused and concentrated in the digital marketing tools for efficient targeting to attain organizational goals.

The effect of digital marketing acceptance on sales enhancement of small and medium enterprises in Nigeria was discussed in [12]. The primary data were gathered with help of the structured questionnaire from respondents in Small and Medium Enterprise sector. The inferential statistics were used with the data. The analysis illustrated the adoption of digital marketing tools like e-mails, search engine optimization, pay per click and online advertising for increasing the sales of SMEs.

The influence of digital marketing on consumer behavior was discussed in [13]. Digital marketing was employed for selling the products and to reach consumers. Digital marketing industry in India was employed in all business sectors. The random sampling technique was employed for data collection. The primary data are collected using structured questionnaire. The Correlation, Regression & ANOVA tools were employed for performing the data analysis. After data analysis, digital marketing plays significant role to improve the sales of any products and services.

Social media was extremely effective in achieving the consumer needs. It was bringing remarkable development and version of technology in [14]. With development of new technology, high speed internet and easiness of shopping on internet was highly available in all sectors. It was clear that consumers get adapted to online marketing and their buying behavior gets influenced consequently.

Social media had gone through millions of people lives worldwide and attracted marketer interest. The study decided to influences the Pakistani consumer for attaining the purchase target. A quantitative method was carried out in [15] with the primary data. The data was gathered from Faisalabad with 250 participants. The results illustrated that the trust and social media influence considerably affect the consumer purchase targets.

## 6. OBJECTIVES:

The main objective is given as follows:

- To study the awareness of digital marketing in India
- To recognize the digital marketing usefulness in competitive market
- To study the demographic profile of consumers
- To study digital marketing impact on consumers buying behavior

## 7. HYPOTHESIS OF THE STUDY:

H01: No major relationship between income and product preference to buy through Digital Channel.

H02: No major relationship between customer satisfaction and product buy through Digital Marketing.

## 8. RESEARCH METHODOLOGY

Digital marketing technology allowed the customers to maintain the company information as rationalized one. The companies get updating information about their goods or services. Customers know how to visit the company website, examine with reference to the products and construct the online purchase. Consumers get complete information regarding the products or services. Consumer compares with their related products. Digital marketing allowed the 24 hours of service to make purchase for consumers. Prices are transparent in the digital marketing. Structured questionnaire collected the primary data to study the impact of Digital Marketing on different parameters. Primary data was gathered from 500 respondents. Respondents are chosen from the Mumbai District, Maharashtra. Primary data in structured format was collected through direct questioning to the respondents through survey method. Sample Size of the study is 300 who are purchasing the products or services through the digital channel. The data was examined and hypothesis is tested through the statistical tool such as chi-square test.

**Table 1 Research Methodology Table**

|                       |                                                                                       |
|-----------------------|---------------------------------------------------------------------------------------|
| Research Design       | Exploratory & Descriptive                                                             |
| Sampling Technique    | Random Sampling                                                                       |
| Sample Size           | 600 respondents (where as 500 respondents are given their responses)                  |
| Data Collection       | Primary Data:- Questionnaires<br>Secondary Data:- Magazine, Journals, Books, Internet |
| Testing of Hypothesis | Chi-square test                                                                       |

## 9. RESULTS AND INTERPRETATION

After collecting the data from respondents with structured questionnaire, the results are interpreted. Many questions are asked to the respondents on Age, Monthly Income, Occupation, etc. for realizing the profile and responses. The table given below is interpreted based on their responses.

**Table 2 Response from Online Buyers**

|                                               | Category                    | No. of Respondents | Percentage of Respondents | Total |
|-----------------------------------------------|-----------------------------|--------------------|---------------------------|-------|
| Gender                                        | Male                        | 202                | 40.4                      | 500   |
|                                               | Female                      | 298                | 59.6                      |       |
| Age                                           | Below 18 years              | 65                 | 13                        | 500   |
|                                               | 18-30 years                 | 254                | 50.8                      |       |
|                                               | 31-45 years                 | 159                | 31.8                      |       |
|                                               | Above 45 years              | 22                 | 4.4                       |       |
| Profession                                    | Employee                    | 119                | 23.8                      | 500   |
|                                               | Business                    | 98                 | 19.6                      |       |
|                                               | Student                     | 158                | 31.6                      |       |
|                                               | House-wife                  | 78                 | 15.6                      |       |
|                                               | Any other                   | 47                 | 9.4                       |       |
| Monthly Income                                | Below 10000                 | 65                 | 13                        | 500   |
|                                               | 10000-25000                 | 201                | 40.2                      |       |
|                                               | 25000-50000                 | 149                | 29.8                      |       |
|                                               | Above 50000                 | 85                 | 17                        |       |
| Frequency of Online Purchase                  | Once Annually               | 68                 | 13.6                      | 500   |
|                                               | 2-5 Purchases Annually      | 159                | 31.8                      |       |
|                                               | 6-10 Purchase Annually      | 215                | 43                        |       |
|                                               | Above 10 Annually           | 58                 | 11.6                      |       |
| Reasons for Online Shopping                   | Easy Buying Option          | 41                 | 8.2                       | 500   |
|                                               | Wide Variety of Products    | 146                | 29.2                      |       |
|                                               | Various Methods of Payments | 103                | 20.6                      |       |
|                                               | Lower prices                | 134                | 26.8                      |       |
|                                               | Others                      | 76                 | 15.2                      |       |
| Influence of Digital Channels to buy more     | Social Media                | 187                | 37.4                      | 500   |
|                                               | Websites                    | 65                 | 13                        |       |
|                                               | Advertising                 | 138                | 27.6                      |       |
|                                               | E-mails                     | 52                 | 10.4                      |       |
|                                               | Others                      | 58                 | 11.6                      |       |
| Product prefer to buy through Digital Channel | Convenience Goods           | 140                | 28                        | 500   |
|                                               | Shopping Goods              | 154                | 30.8                      |       |
|                                               | Specialty Goods             | 206                | 41.2                      |       |
| Customer                                      | Strongly Agree              | 178                | 35.6                      | 500   |

|                                                  |                   |     |      |     |
|--------------------------------------------------|-------------------|-----|------|-----|
| Satisfaction in Purchase through Digital Channel | Agree             | 185 | 37   |     |
|                                                  | Neutral           | 122 | 24.4 |     |
|                                                  | Disagree          | 10  | 2    |     |
|                                                  | Strongly Disagree | 5   | 1    |     |
| From which Digital Channel you bought products   | Social Media      | 164 | 32.8 | 500 |
|                                                  | Websites          | 196 | 39.2 |     |
|                                                  | Email             | 13  | 2.6  |     |
|                                                  | Advertising       | 98  | 19.6 |     |
|                                                  | Others            | 29  | 5.8  |     |
| Availability of Online Information about Product | Excellent         | 167 | 33.4 | 500 |
|                                                  | Good              | 198 | 39.6 |     |
|                                                  | Average           | 103 | 20.6 |     |
|                                                  | Poor              | 32  | 6.4  |     |

Digital marketing has bright opportunity in the present market. Consumers are satisfied through purchasing the digital marketing. People undergo the safe mode of online purchase. The ratio of female customers is high in online shopping that is 60%. The awareness regarding the online shopping is 100% among respondents. The monthly income of respondents falls in range of Rs. 10,001 to Rs. 20,000 that is 40%. Large number of respondents that is 30% feels that online shopping has wide variety of products. The remaining respondents feel that different variety of products, products with low cost and different payments modes. 40% of respondents experience availability of online information about Product is good. 46% of the respondents purchase the products above 10 times yearly.

#### **Relationship between monthly income and product preference to buy through Digital Channel using Chi Square Test:**

The relationship between monthly income and product preference to buy through the digital channel are discussed and table is given as follow:

**Table 3 Relationship between monthly income and product preference to buy through digital channel**

|                    | Convenience Goods | Shopping Goods | Specialty Goods | Total |
|--------------------|-------------------|----------------|-----------------|-------|
| <b>Below 10000</b> | 18                | 17             | 30              | 65    |
| <b>10000-25000</b> | 55                | 71             | 75              | 201   |
| <b>25000-50000</b> | 36                | 50             | 63              | 149   |
| <b>Above 50000</b> | 31                | 16             | 38              | 85    |

|              |     |     |     |     |
|--------------|-----|-----|-----|-----|
| <b>Total</b> | 140 | 154 | 206 | 500 |
|--------------|-----|-----|-----|-----|

The data are interpreted from above table 2. Hypothesis testing is carried out to be more accurate.

H01: There is no relationship between monthly income and product preference to buy the product through the digital channel. Based on the calculation, the chi-square statistic determined is 16.25. The p-value given is 0.019. The result is significant at  $p < 0.05$  with minimum significance level. The null hypothesis is eliminated and there is large relationship between monthly income and product preference to purchase through the digital channel.

### **Relationship between Customer Satisfaction and product buy through Digital Marketing using Chi Square Test**

To learn the relationship between customer satisfaction and product buy through Digital Marketing, the table is described as:

**Table 4 Relationship between customer satisfaction in purchase and digital channel you bought products**

|                     | <b>Strongly Agree</b> | <b>Agree</b> | <b>Neutral</b> | <b>Disagree</b> | <b>Strongly Disagree</b> | <b>Total</b> |
|---------------------|-----------------------|--------------|----------------|-----------------|--------------------------|--------------|
| <b>Social Media</b> | 54                    | 77           | 32             | 1               | 0                        | 164          |
| <b>Websites</b>     | 71                    | 67           | 58             | 0               | 0                        | 196          |
| <b>Email</b>        | 3                     | 2            | 3              | 4               | 1                        | 13           |
| <b>Advertising</b>  | 44                    | 35           | 14             | 3               | 2                        | 98           |
| <b>Others</b>       | 6                     | 4            | 15             | 2               | 2                        | 29           |
| <b>Total</b>        | 178                   | 185          | 122            | 10              | 5                        | 500          |

The data is easily interpreted from the above table 3. Hypothesis testing is done to be more exact. Based on the computation, the chi-square statistic is 45.65. The p-value determined is 0.000985. The result is important at  $p < 0.05$  with significant level. Based on the above study, Null hypothesis is eliminated. There is large relationship between the customer satisfaction and buying products through the Digital channel.

## **10. SUGGESTIONS**

Digital marketing increases the technical advancement in digital marketing promotion. In addition, it gathers and uses the feedback provided by consumer in the right way. Digital marketing presents the transparent and good service to the consumer before and after the product purchase. In addition, it creates the awareness among people about the digital marketing. The results demonstrate that there is no large relationship between the age and impact level. It

indicates that purchase through email is lesser than other digital channel. It is recommended that sponsorship schemes are provided as the consumers are ready to go on to new brands. The additional information about product has to be provided in the website. In addition, the physical feel of specific product does not exist in digital marketing.

## 11. CONCLUSION

Digital marketing is considered as an important part of the approach for different companies. At present time, small business owner have very cheap and competent method to market their products or services in society. Company use any devices like tablets, smart phones, TV, laptops, media, social media, email and lot other to maintain the company, products and their services. Digital marketing achieve more profit when consumer desires as the peak priority. With research carried out, it is clear that there is a relationship between the monthly income and the products purchased. Monthly Income of people is an essential one to buy different products through digital channel. It is also found that there is a large difference between customer satisfaction levels with products purchased online. Many Customers are fulfilled with products purchased through the digital channel.

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